

Message Text

PAGE 01 STATE 090644
ORIGIN EUR-12

INFO OCT-01 ISO-00 PM-04 L-03 CIAE-00 INR-07 ACDA-07
PA-01 SS-15 PRS-01 SP-02 USIA-06 TRSE-00 SIG-01
NSC-05 H-01 /066 R

DRAFTED BY OASD/ISA:DEMAJORS:VSS

APPROVED BY EUR:REBARBOUR

EUR/SE:JHMORTON

EUR/SE:NCLEDSKY

PM/ISO:RWMASSEN

L/PM:SAORLINS

-----220730Z 060326 /17

P 220018Z APR 77

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS PRIORITY

INFO AMEMBASSY ANKARA PRIORITY

USMISSION NATO PRIORITY

SECDEF PRIORITY

USNMR SHAPE PRIORITY

USDELMC PRIORITY

CINCUSAFE PRIORITY

USCINCEUR PRIORITY

CINCUSNAVEUR PRIORITY

CINCUSAREUR PRIORITY

DIRNSA PRIORITY

USDOCOSOUTH PRIORITY

C O N F I D E N T I A L STATE 090644

E.O. 11652: GDS

TAGS: PFOR, MARR, MASS, GR, US

SUBJECT: US-GREEK BASE NEGOTIATIONS: SOUDA COST SHARING
ARRANGEMENTS

CONFIDENTIAL

PAGE 02 STATE 090644

REF: ATHENS 10922

1. THE FOLLOWING NEGOTIATING INSTRUCTIONS ON SOUDA BAY COST SHARING WERE PREPARED PRIOR TO RESUMPTION OF NEGOTIATIONS ON APRIL 13 AND ARE BEING TRANSMITTED TO YOU IN LIGHT OF THE REQUEST IN REFTEL. AS YOU WILL SEE, THE INSTRUCTIONS ARE LENGTHY AND DETAILED AND THEY RESPOND PRIMARILY TO THE GREEK REQUEST FOR NEGOTIATION OF A COST SHARING FORMULA UNDER CONDITIONS WHICH EXISTED LAST FALL WHEN THE TALKS RECESSED.

2. GIVEN THE CHANGED CIRCUMSTANCES, AND OUR DESIRE TO MOVE FORWARD RAPIDLY, WE ASK THAT THE AMBASSADOR REVIEW THE INSTRUCTIONS WHICH FOLLOW AND MAKE THE DETERMINATION AS TO THEIR APPROPRIATENESS TO THE CURRENT NEGOTIATING SITUATION. IF THE AMBASSADOR CONCLUDES THAT THE APPROACH CONTAINED HEREIN IS INAPPROPRIATE OR WILL UNDULY STRETCH OUT THE TALKS, HE SHOULD INFORM WASHINGTON IMMEDIATELY SO THAT SUBJECT CAN BE REVIEWED ON AN URGENT BASIS.

3. THE FOLLOWING POSITIONS AND INSTRUCTIONS ON THIS SUBJECT ARE FOR USE BY THE US DELEGATION WHEN NEGOTIATIONS RESUME.

4. YOU SHOULD AGAIN REITERATE TO THE GREEKS THAT THE US IS WILLING TO RENEGOTIATE FAIR AND EQUITABLE COST SHARING ARRANGEMENTS FOR US USE OF SOUDA AIR BASE. AT THE SAME TIME, MAKE A NEW EFFORT TO CONVINCE THEM THAT AGREEMENT ON NEW ARRANGEMENTS NEED NOT BE A PREREQUISITE TO THE CONCLUSION OF THE DCA. HOWEVER, IF THEY PERSIST, YOU SHOULD PROCEED TO NEGOTIATE ON THE BASIS OF US AND GREEK TEXTS OF ARTICLE IX CONTAINED IN REFTEL. WE ANTICIPATE THE NEED FOR DETAILED TECHNICAL DISCUSSIONS ON SOME POINTS, SUCH AS WHICH GREEK FACILITIES OR SERVICES SHOULD BE INCLUDED IN THE COST SHARING FORMULA. IF THIS OCCURS, YOU SHOULD PROPOSE AT ONCE THAT A JOINT SUBCOMMITTEE BE CONFIDENTIAL

PAGE 03 STATE 090644

FORMED TO RESOLVE THESE POINTS IN CONTINUOUS MEETINGS PARALLEL TO REGULAR NEGOTIATING SESSIONS SO THAT THE

SOUDA COST SHARING ISSUE DOES NOT DELAY FINAL AGREEMENT ON THE DCA.

5. TO FACILITATE DISCUSSIONS, THE FOLLOWING INSTRUCTIONS USE THE GREEK TEXT IN REF A AS A BASIS FOR NEGOTIATIONS WHERE POSSIBLE. SINCE PARAGRAPH NUMBERING WITHIN ARTICLE IX IS DIFFERENT BETWEEN US AND GREEK TEXTS, US PARAGRAPHS WHICH HAVE A GREEK COUNTERPART ARE SHOWN IN PARENTHESES. IN TREATING THIS SUBJECT, YOU SHOULD BE MINDFUL THAT ANY UNREASONABLE PRECEDENTS SET IN NEW SOUDA COST SHARING ARRANGEMENTS COULD HAVE A FAR-REACHING AND ADVERSE IMPACT ON WORLDWIDE US MILITARY AIR OPERATIONS.

A. PARA 1, STEM. (US 3). ACCEPTABLE SUBJECT TO CHANGE OF "APPROPRIATE" TO "EQUITABLE" AND "US NAVY" TO "US GOVERNMENT". INTENT OF LIMITATIONS IN US TEXT IS PICKED UP IN PROPOSED US MODIFICATIONS TO SUBPARAGRAPHS OF THIS PARAGRAPH.

B. PARA 1.A (US3.A). ACCEPTABLE SUBJECT TO MINOR MODIFICATION TO CLARIFY WHICH FACILITIES ARE INTENDED TO BE

IN THIS CATEGORY. SUBPARA AS MODIFIED WOULD READ:

"HUNDRED PERCENT OF THE EXPENSES DIRECTLY RELATED TO THE OPERATION, MAINTENANCE, CONSTRUCTION, AND UTILITIES OF THE MILITARY AND SUPPORTING FACILITIES DESIGNATED IN ANNEXES A AND B OF THIS APPENDIX FOR THE EXCLUSIVE USE OF THE US NAVY AT SOUDA AIR BASE."

IF THE GREEKS OBJECT TO THE WORD "EXCLUSIVE" FOR PRESENTATIONAL REASONS, THIS WORD MAY BE DROPPED SINCE OUR CONCERNS WILL HAVE BEEN MET BY INCLUSION OF THE TERM "MILITARY AND SUPPORTING FACILITIES", THE EUPHEMISM FOR US CONFIDENTIAL

PAGE 04 STATE 090644

FACILITIES.

C. PARA 1.B STEM. (US 3.B). ACCEPTABLE SUBJECT TO REFORMULATION TO PREVENT INTERPRETATION WHICH WOULD REQUIRE US TO PAY COSTS IN ADDITION TO O AND M COSTS AND TO PAY A PORTION OF COSTS OF NON-US TENANT ORGANIZATIONS AT SOUDA WHICH ARE NOT ESSENTIAL FOR OPERATION OF THE AIRFIELD. SUBPARA AS MODIFIED WOULD READ:

"SHARE IN PERCENT EQUAL TO A OVER A PLUS B TIMES 100 FOR THE ACTUAL OPERATIONS AND MAINTENANCE (O AND M) COSTS OF THE AIRFIELD, EXCLUDING THOSE OF ASSIGNED HAF TACTICAL SQUADRONS, HELLENIC AND NON-US TENANT ORGANIZATIONS, AND ANY OTHER HELLENIC ORGANIZATIONS OR ACTIVITIES WHICH ARE

NOT ESSENTIAL TO THE FUNCTION OF AN AIRDROME, WHERE:"

OUR AGREEMENT TO THE ABOVE FORMULATION IS SUBJECT TO THE INSERTION OF THE FOLLOWING PARENTHETICAL NOTE:

"(NOTE: THE SPECIFIC ORGANIZATIONS, FUNCTIONS, ACTIVITIES OR FACILITIES ON WHICH THE ACTUAL O AND M COST OF THE AIRFIELD SHALL BE BASED ARE SPECIFIED IN ANNEX C OF THIS APPENDIS)"

FYI. WE NO LONGER CONSIDER THE US PROPOSED STEM OF SUBPARA 3.B TO BE APPROPRIATE. WE DESIRE TO LIMIT FACILITIES LISTED IN ANNEXES A AND B TO ONLY THOSE US FACILITIES NOW REFERRED TO AS "MILITARY AND SUPPORTING FACILITIES". IN OUR VIEW, "JOINT USE" FACILITIES IN THE CONTEXT OF ANNEXES A AND B TO ALL APPENDICES TO THE DCA SHOULD APPLY TO THOSE IN WHICH THE GREEKS PARTICIPATE UNDER ARTICLE V OF THE DCA AND TO THOSE WHERE A "GREEK PRESENCE" MAY BE AGREED ELSEWHERE IN THE DCA. END FYI.

D. PARA 1.B, DEFINITION OF "A". ACCEPTABLE SUBJECT TO CONFIDENTIAL

PAGE 05 STATE 090644

REFORMULATION TO LIMIT DEFINITION TO US AIRCRAFT TO THOSE ESSENTIAL TO THE NAVDET SOUDA MISSION. AS NOW STATED, GREEK DEFINITION COULD BE INTERPRETED TO MEAN ALL US AIRCRAFT. THIS WOULD BE TANTAMOUNT TO A LANDING FEE, A PRECEDENT WHICH WE WISH TO AVOID, AND, COMBINED WITH THE GREEK DEFINITION OF B, WOULD SIGNIFICANTLY INCREASE COSTS CHARGEABLE TO THE US. OUR REFORMULATION WOULD READ:

"A EQUALS THE NUMBER OF LANDINGS AND TAKEOFFS OF US MILITARY AIRCRAFT USING SOUDA IN SUPPORT OF NAVDET SOUDA MULTIPLIED BY THE AVERAGE LANDING WEIGHT OF THESE AIRCRAFT."

E. PARA 1.B, DEFINITION OF B. GREEK DEFINITION WOULD ELIMINATE OTHER USERS OF SOUDA FROM THE FORMULA THUS INCREASING COSTS TO THE US. WE PREFER THE DEFINITION OF B WHICH IS NOW IN USE AND STATED IN US PARA 3.B. HOWEVER, YOU MAY PROPOSE THE FOLLOWING REFORMULATION IN AN EFFORT TO SATISFY THE GREEKS:

"B EQUALS THE NUMBER OF LANDINGS AND TAKE-OFFS OF ALL HAF AIRCRAFT AND ALL OTHER AIRCRAFT NOT IN SUPPORT OF NAVDET SOUDA MULTIPLIED BY THE AVERAGE LANDING WEIGHT OF THESE AIRCRAFT."

F. PARA 1.B. WE CAN ACCEPT GREEK REQUIREMENT FOR AFTER-HOURS TAKEOFFS AND LANDINGS DURING PERIODS WHEN THE AIRFIELD IS NOT OPEN FOR OTHER AIR TRAFFIC TO BE MULTIPLIED

BY 1.75 IF THE GREEKS WILL ACCEPT OUR REFORMULATION OF THAT PORTION OF PARA 1.C PERTAINING TO EMERGENCY DIVERTS (SUBPARA 1 BELOW). FOR US TO ACCEPT BOTH GREEK PROVISIONS WOULD AMOUNT TO DOUBLE PAYMENT FOR THE SAME LANDING AND TAKE-OFF.

G. PARA 1.B. MINIMUM FLOOR. GREEK DESIRE THAT WE AGREE TO A MINIMUM FLOOR OF 15 PERCENT REGARDLESS OF THE PERCENTAGE

PAGE 06 STATE 090644

OBTAINED USING THE FORMULA IS INCONGRUOUS AND IN EFFECT MAKES THE FORMULA MEANINGLESS SINCE, UNDER THE SORTIE LIMITATIONS IMPOSED BY THE GREEKS, US NAVY USE OF SOUDA WILL NORMALLY BE LESS THAN 5 PERCENT. UNDER THIS ARRANGEMENT, US COSTS WOULD INCREASE ANY TIME THE GREEKS EXPAND THEIR OWN OPERATIONS AT SOUDA. THE CONCEPT OF A MINIMUM FLOOR WOULD BE ACCEPTABLE ONLY IF THE PERCENTAGE ESTABLISHED WAS BELOW THE NORMAL USAGE RATE. THEREFORE, YOU ARE AUTHORIZED INITIALLY TO OFFER 2 PERCENT AND, IF NECESSARY, RAISE THIS FIGURE NOT TO EXCEED 3 PERCENT.

H. PARA 1.C., FIRST SENTENCE. THE GREEKS HAVE NOT YET

EXPLAINED THEIR RATIONALE FOR THIS 20 PERCENT SURCHARGE OR ITS RELATIONSHIP TO THE 15 PERCENT FLOOR THEY DESIRE. WE CAN ACCEPT THE CONCEPT IF THEY CAN SHOW THAT THIS CHARGE DOES NOT CONSTITUTE DOUBLE BILLING AND REPRESENTS HAF PREPARATION OF BILLS AND OTHER ADMINISTRATIVE COSTS ASSOCIATED WITH THE USN PRESENCE AT SOUDA. IF THIS PROVES TO BE THE CASE, YOU ARE AUTHORIZED INITIALLY TO OFFER 2 PERCENT AND, IF NECESSARY, RAISE THIS FIGURE TO A MAXIMUM OF 5 PERCENT (THE PRECEDENT USED FOR PAYMENT OF OTHERS BILLS IN THE THEATRE).

I. PARA 1.C., SECOND SENTENCE. WE CAN ACCEPT THE GREEK POSITION IF THE TEXT IS REFORMULATED TO: SPECIFY THAT EXPENSES APPLY TO PERIODS OUTSIDE GREEK OPERATING HOURS; EXCLUDE AIRCRAFT LANDINGS AND TAKE-OFFS FROM THE COST SHARING FORMULA, TO AVOID DOUBLE PAYMENT; PROVIDE FOR A LISTING OF WHAT ELEMENTS CONSTITUTE THE EXPENSES INVOLVED. OUR REFORMULATION WOULD READ:

"THE EXPENSES RELATED TO THE UTILIZATION OF SOUDA AIR BASE AS AN EMERGENCY DIVERT AIRFIELD BY US MILITARY AIRCRAFT DURING PERIODS WHEN THE AIRFIELD IS NOT OPEN TO OTHER AIR TRAFFIC WILL BE BORNE EXCLUSIVELY BY THE US GOVERNMENT. THE ELEMENTS OF SUCH EXPENSES ARE SPECIFIED IN ANNEX C TO CONFIDENTIAL

PAGE 07 STATE 090644

THIS APPENDIX. LANDINGS AND TAKE-OFFS BY DIVERT AIRCRAFT OR BY OTHER AIRCRAFT IN SUPPORT OF NAVDET SOUDA DURING THE ABOVE PERIODS WILL BE EXCLUDED FROM THE COST SHARING FORMULA IN PARAGRAPH 1.B ABOVE."

J. PARA 2 (US PARA 4). THIS PARA IS REDUNDANT WITH PARA 3 AND THUS SEEMS TO SERVE NO USEFUL PURPOSE. HOWEVER, IF THE GREEKS OBJECT TO ITS DELETION, WE CAN ACCEPT IT IF IT IS ADJUSTED TO CONFORM WITH WHATEVER FORMULATION IS AGREED FOR PARA 3. THUS, PARA 3 SHOULD BE NEGOTIATED BEFORE PARA 2.

K. PARA 3 (US PARA 4). PROPOSE THE FOLLOWING REFORMULATION WHICH WE BELIEVE PROVIDES FOR A MORE DEFINITIVE PROCEDURE COVERING THE COMPUTATION AND PAYMENT OF BILLS.

"THE TOTAL COST TO THE US NAVY DERIVED FROM THE COMPUTATION SPECIFIED IN PARAGRAPHS 1.A, B, C, AND E ABOVE WILL BE DETERMINED QUARTERLY. IN ORDER TO PRORATE CHARGES FOR APPLICABLE HOURS OF EMERGENCY DIVERT PERIODS UNDER PARA 1.C ABOVE, THE AVERAGE DAILY COST OF APPLICABLE ELEMENTS SPECIFIED IN ANNEX C TO THIS APPENDIX WILL BE COMPUTED. IN THIS RESPECT, THE HAF WILL PREPARE AND FORWARD TO THE US NAVY A DETAILED LIST OF CHARGES PRESENTING THE US NAVY SHARE OF COSTS AS DELINEATED IN THIS ARTICLE. REIMBURSEMENT WILL BE MADE BY THE US GOVERNMENT IN GREEK CURRENCY

TO THE HAF, BASED ON THE RATE OF EXCHANGE EXISTING ON THE EFFECTIVE LAST DAY OF THE BILLING QUARTER, WITHIN ONE MONTH FROM RECEIPT OF THE INVOICE COVERING THE PREVIOUS QUARTER. HAF BILLING FOR THE ABOVE MENTIONED COSTS WILL BE FORWARDED TO -----, PAYMENT WILL BE MADE TO -----."

THE ABOVE FORMULATION REFLECTS OUR PREFERENCE TO PAY QUARTERLY (AS WE ARE NOW DOING) IN GREEK CURRENCY AS A MATTER OF CONVENIENCE AND STANDARDIZATION WITH NAVY PROCEDURES USED ELSEWHERE IN EUROPE. ALSO, HAF BILLING HAS CONFIDENTIAL

PAGE 08 STATE 090644

BEEN HISTORICALLY COMPLICATED AND HAS ALWAYS REQUIRED CONSIDERABLE TIME ON-STATION FOR USN REVIEW, CONSULTATION WITH THE GREEKS TO CLARIFY AND CORRECT ENTRIES, AND VERIFICATION. TO CARRY OUT THIS PROCESS ANNUALLY, AS THE GREEKS DESIRE, WOULD FURTHER COMPLICATE AN ALREADY COMPLEX BURDEN. TO PAY IN GREEK OR US CURRENCY IS A RELATIVELY MINOR PROCEDURAL MATTER WHICH DOES NOT IMPACT ON FOREIGN EXCHANGE CONSIDERATIONS. THEREFORE, IF THE GREEKS ARE INSISTENT, YOU MAY AGREE TO MAKE PAYMENTS IN US DOLLARS BY ADJUSTING THE TEXT OF THIS ARTICLE TO READ "US CURRENCY" INSTEAD OF "GREEK CURRENCY". IN DOING SO, INSERT THE FOLLOWING SENTENCE IN THE FORMULATION ABOVE:

"RATE OF EXCHANGE WILL BE AS SPECIFIED IN ARTICLE VIII, PARA 3, APPENDIX 2".

L. US PARAS 1 AND 2 MAY BE DROPPED. THESE PROVISIONS ARE

COVERED BY ARTICLE XI OF THE DRAFT DCA.

M. US PARA 5 MAY BE DROPPED. ONCE A BILL IS VERIFIED AND ACCEPTED BY THE US, WE SEE NO ADVANTAGE IN INSISTING ON TELLING THE GREEKS WHAT RECORDS TO KEEP, ALTHOUGH WE WILL MAINTAIN RECORDS OF THE BILLS AND PRESUME THE GREEKS WILL DO LIKEWISE.

N. US PARA 6 MAY BE DROPPED BECAUSE (1) NATO POLICY NOT IN CONFLICT WITH THE PROVISIONS OF THIS AGREEMENT CONTINUE TO APPLY AND (2) ITEMS REFERRED TO IN US PARA 6, EXCEPT ACCESS ROADS, ARE COVERED IN ARTICLE XI, PARAS 4 AND 5 OF THE DRAFT DCA.

6. WE HAVE DECIDED NOT TO USE USN EQUIPMENT USED BY THE GREEKS AT SOUDA AS A QUID TO EXTRACT GREEK CONCESSIONS ON OTHER COST SHARING ISSUES. INSTEAD, BILATERAL ARRANGEMENTS ASSOCIATED WITH THIS EQUIPMENT WILL BE OUTSIDE THE CONFIDENTIAL

PAGE 09 STATE 090644

CONTEXT OF CURRENT NEGOTIATIONS.

VANCE

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 22-Sep-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BURDENSARING, MILITARY BASE AGREEMENTS, NEGOTIATIONS, OPERATING COSTS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE090644
Document Source: ADS
Document Unique ID: 00
Drafter: OASD/ISA:DEMAJORS:VSS
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Expiration:
Film Number: D770140-0077
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197704103/baaaevtd.tel
Line Count: 330
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 10273e9c-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: ATHENS 10922
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2669016
Secure: OPEN
Status: NATIVE
Subject: US-GREEK BASE NEGOTIATIONS: SOUDA COST SHARING ARRANGEMENTS
TAGS: PFOR, MARR, MASS, GR, US
To: ATHENS INFO ANKARA MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/10273e9c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009